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FISCAL IMPACT STATEMENT

LS 7120

BILL NUMBER: HB 1681

NOTE PREPARED: Jan 12, 2009

BILL AMENDED:

SUBJECT: Foster Care.

FIRST AUTHOR: Rep. Summers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a foster parent, caseworker, or probation officer to sign an application for a learner's permit or driver's license for a minor who is receiving foster care. The bill requires, if a caseworker or probation officer signs the application, the minor to sign a statement that the minor will be financially responsible for any injury or damage that the minor applicant causes by reason of the operation of a motor vehicle. The bill also provides certain civil immunity to a caseworker or probation officer who signs an application.

The bill establishes: (1) a tuition and fee exemption for certain foster care youth attending state educational institutions; and (2) the foster care educational assistance program. It also requires the Department of Child Services to administer the program.

This bill also provides that certain individuals previously receiving foster care are eligible to receive benefits under the Indiana Check-up Plan if the individual meets certain eligibility requirements. It requires the Office of Medicaid Policy and Planning to apply to the United States Department of Health and Human Services for approval to amend the Indiana Check-up Plan to include services for the certain individuals previously receiving foster care.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: *Indiana Check-Up Plan Eligibility:* The Office of Medicaid Policy and Planning (OMPP) is required to submit to the U.S. Department of Health and Human Services (DHHS) a request to amend the eligibility requirements of the Indiana Check-Up Plan to include individuals that

received foster care before their 18th birthday and before they reach 24 years of age. This will increase the workload of OMPP staff.

Tuition Exemption for Foster Care Youth: This bill entitles eligible foster children to receive tuition exemptions from state educational institutions. Total expenditures state educational institutions experience will depend on the number of individuals who received foster care before the age of 18, are less than 24 years of age, and enroll in a state educational institution after the effective date of the legislation. The estimated cost to state educational institutions from fee remissions for foster children would be \$636,000 during FY 2010 and \$1,033,000 during FY 2011.

DCS reported that as of November 2008, there were 6,155 children in foster care, of which (1) 553 were between the ages of 16 and 18 and (2) 154 were 18 and older. These 707 individuals may qualify under the legislation for tuition exemptions depending on their graduation from high school and matriculation in a post-secondary educational institution. Of these 707, it was estimated that approximately 338 would be considered college age during FY 2010 and 523 would be college age during FY 2011. Based on information provided by the Department of Education (DOE) regarding high school graduation rates and the rate of college matriculation amongst high school graduates, an estimated 163 individuals can be expected to matriculate and be eligible for tuition exemptions in FY 2010 and 252 can be eligible in FY 2011.

The average fee remission during academic year 2007-2008 was approximately \$3,500 per student. Assuming a 5% increase per year, fee remissions are estimated to be approximately \$3,900 for the 2009-2010 academic year and \$4,100 during academic year 2010-2011. Total costs experienced by state educational institutions would be \$1,669,000 for the biennium. State educational institutions would bear the additional cost associated with the exemption within their operating expenses.

DCS is required to make eligibility determinations for foster youth that apply for tuition exemption. This bill increases the workload of DCS personnel in order to make determinations as well as provide determinations for appeals made by individuals whose applications were denied. Increases in workload depend on the number of individuals that apply for tuition exemption as well as any administrative appeals process DCS implements for denials. DCS reports that additional resources will be necessary to implement these provisions. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Foster Care Educational Assistance Program: The bill also requires that DCS administer a program that provides reimbursement for certain education expenses for individuals that received foster care before the age of 18, are less than 24 years of age, and enroll in state educational institutions after June 30, 2009. Currently, DCS provides tuition reimbursement through the form of the Chafee Educational Training Voucher Program. However, participation is limited to individuals that received foster care before the age of 18 and who apply for benefits up to the age of 21. This bill will increase the number of individuals that are eligible for assistance. Actual increases in expenditures will depend on the number of individuals that meet other program requirements besides the age requirement that will apply for benefits under the program.

Background Information:

Indiana Check-Up Plan Eligibility: Currently, individuals that receive foster care are eligible for Medicaid benefits until the age of 21. Medicaid benefits are not considered health insurance under the Indiana Check-Up Plan eligibility requirements. Currently, individuals are considered eligible for the Indiana Check-Up Plan if they (1) are between the ages of 18 and 65, (2) are United States citizens and a state resident for 12 months, (3) have an annual household income of no more than 200% of the federal poverty level, (4) are not eligible for health insurance through their employer, and (5) have not had health insurance for at least six months. The legislation expands these requirements by allowing individuals that received foster care before the age of 18 and are between the ages of 18 and 23 to participate in the program provided they also meet provisions 1 through 4 listed above. Since these individuals are eligible to receive Medicaid until the age of 21 and Medicaid is not considered to be health insurance in the Indiana Check-Up Plan, these individuals would already qualify to participate in the Indiana Check-Up Plan. This provision is not expected to have a fiscal impact.

Tuition Exemption for Foster Care Youth: The Department of Education reports that Indiana has a high school graduation rate of 76.5%. Additionally, DOE reports a college matriculation rate of 63% amongst high school graduates in Indiana.

The Chafee Educational Training Voucher Program provides funds to foster youth and former foster youth to enable them to attend colleges, universities, or vocational training institutions. Applicants must be between the ages of 18 and 20 at the time of application to the program and be accepted in a degree, certificate, or other accredited program at a college, university, technical, or vocational school. DCS reports that of the 338 individuals that applied for funding, 290 were eligible and 186 were funded. Total awards amounted to approximately \$700,000 during FY 2007, or \$3,800 per student.

DCS also reports that the Chafee Educational Training Voucher program is available to individuals who received foster care before the age of 18 and extends to age 23 for children in college, vocational school, or trade school. Currently, DCS contracts out the management of the program because there is not enough staff within the Department to cover the program.

DCS reverted approximately \$7.1 M to the state General Fund at the end of FY 2008.

Explanation of State Revenues: *Penalty Provision:* Under the bill, someone that knowingly or intentionally submits false or misleading information to receive a tuition exemption for foster youth commits a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: OMPP; DCS; State Educational Institutions.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Ann Houseworth, DCS; Commission on Higher Education.

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